

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEALS OF PAULA) APPEAL NOS. 07-A-2197
DAVIES from the decisions of the Board of) THRU 07-A-2199
Equalization of Butte County for tax year 2007.) FINAL DECISION
) AND ORDER

AGRICULTURAL PROPERTY APPEALS

THESE MATTERS came on for hearing September 25, 2007 in Arco, Idaho before Board Member David E. Kinghorn. Board Member Lyle R. Cobbs participated in this decision. Appellant Paula Davies appeared. Assessor Laurie Gamett and Prosecuting Attorney Steve Stephens appeared for Respondent Butte County. These appeals are taken from the decisions of the Butte County Board of Equalization denying agriculture exemptions for properties described as Parcel Nos. RP03N25E308400A, RP03N25E312401A and RP03N24E059000A.

The issue on appeal is whether subject properties qualify for an exemption from property taxes pursuant to Idaho Code § 63-604.

The decisions of the Butte County Board of Equalization are affirmed.

FINDINGS OF FACT

Parcel No. RP03N25E308400 A (8400)

The assessed land value is \$4,700 under the market value standard. Appellant requests the land be granted an agricultural exemption and assessed at \$893.

The subject property is 23.50 acres.

Parcel No. RP03N25E312401 A (2401)

The assessed land value is \$3,362 under the market value standard. Appellant requests the land be granted an agricultural exemption and assessed at \$639.

The subject property is 16.810 acres

Parcel No. RP03N24E059000A (9000)

The assessed land value is \$43,240 under the market value standard. Appellant requests the land be granted an agricultural exemption and assessed at \$9,400.

The subject property is 40 acres.

Two subject parcels (8400 and 2401) are located in Mt. Springs Ranch pasture, the third subject parcel (9000) is located in Dry Fork of Antelope Creek. Because the properties are similar in location and the same general claims were asserted, they will be considered together for the purposes of this decision.

Appellant explained that neither sufficient time or instructions were given to fully determine what information the Assessor requested on the Agricultural Determination Form in order to qualify subjects for the Agriculture Exemption.

Two of the properties (8400 and 2401) were once part of a much larger parcel estimated to be roughly 9,000 acres. Mt. Springs Ranch purchased the larger parcel with the exception of subjects (8400 and 2401). These properties were not surveyed or fenced when the larger parcel was purchased.

The Taxpayer asserted the two subject parcels (8400 and 2401) are currently and have been grazed since 1999 by a bona fide cattle rancher. A letter from the manager of Mt. Springs Ranch was submitted which confirmed these facts. Appellant did not collect payment or have a written lease agreement with the rancher. As the subject properties were not fenced or surveyed it was difficult for Taxpayer to determine exactly what grazing had taken place.

The 40 acre parcel (9000) is located in the same general area. This pasture had not been used in recent years, as there were water rights issues that took time to resolve. The issues were resolved and the parcel was leased in 2007. A letter dated June 10, 2007, from a bona fide

Rancher was submitted, which stated the 40 acres would be leased each fall. No other details were provided.

Appellant submitted photographs of the subject parcels in order to demonstrate grazing is currently taking place.

The County acknowledged an Agricultural Eligibility Determination Forms were filed by the Taxpayer. However, on two of the forms Appellant wrote zero dollars were collected and nothing more. On the form for parcel 9000 it stated subject was grazed for a few days with lease amounts that varied. The County believed subject properties were not being used by Appellant for grazing, for profit, or by a bona fide lessee, as required to qualify for exemption.

The County asserted the record was unclear as to the use of subject property and therefore the agricultural exemption was denied. Respondent argued it lacked sufficient information to grant the agricultural exemption for 2007.

Respondent stated as of January 1, 2007, the subject land was not being used as land actively devoted to agriculture and therefore it was assessed at market value.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to determine subjects' eligibility for agricultural exemptions. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

The issue on appeal is whether subjects qualify for agricultural exemptions. Idaho Code provides in pertinent part:

Idaho Code § 63-604. Land actively devoted to agriculture defined.

(1) For property tax purposes, land which is actively devoted to agricultural shall be eligible for appraisal, assessment and taxation as agricultural property each year it meets one (1) or more of the following qualifications:

(a) The total area of such land, including the homesite, is more than five (5) contiguous acres, and is actively devoted to agriculture which means:

. . .

(iii) It is used by the owner for the grazing of livestock to be sold as part of a for-profit enterprise, or is leased by the owner to a bona fide lessee for grazing purposes.

Respondent received the Agricultural Eligibility Determination Forms, however, not enough information or evidence was submitted to verify subject was being used for profit or being leased to a bona fide lessee. Therefore, Respondent denied the agricultural exemptions.

Idaho Code §63-205 mandates property be assessed based on its status on January 1 of each tax year. For 2007, this assessment date was January 1, 2007. The key question here was subject's use on or leading up to January 1, 2007.

It appears subject properties were being grazed. However, Appellant does not graze subject properties for a profit, nor did a lease exist with a bona fide rancher. Thus, the land does not meet the exemption under Idaho Code § 63-604. The grazing use in 2007 could be pertinent in considering an agricultural exemption for the 2008 tax year.

Therefore the decisions of the Butte County Board of Equalization denying exemptions are affirmed.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decisions of the Butte County Board of Equalization concerning the subject parcels be, and the same hereby are, affirmed.

DATED APRIL 30, 2008